

## **Unitil Arrearage Management Program**

### **D.T.E. 05-86 Compliance Filing**

#### **I. Goals of the Program**

The Arrearage Management Program will offer customers of Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”), immediate relief to reduce their current and future energy burdens through flexible payment arrangements, arrears forgiveness, budget counseling services, and home weatherization and other energy efficiency initiatives. The program is intended to provide relief and education to income eligible customers that will ultimately result in the customer’s ability to better manage their electric and/or gas payments more effectively. This program replaces the arrearage management pilot program approved in D.T.E. 05-29. No customers have been enrolled in the pilot program.

#### **II. Program Description**

This program will be designed to accommodate all residential gas and/or electric customers of Unitil, who are eligible for Unitil’s discount rate, with: (1) assistance in paying overdue electric bills (“assistance”); (2) the opportunity to participate in the Company’s energy efficiency program on a priority basis; and (3) budget counseling services (“counseling”). The program will be implemented by the fuel assistance program agencies (“Agencies” or “Agency”) in Unitil’s service area. Eligible customers will be offered a “current bill” or “level payment” payment arrangement that is mutually agreed upon by the Agency and Unitil. Assistance includes: (1) arrearage forgiveness of \$100 to \$600 per year per customer or other amounts mutually agreed to by the agencies and Unitil, to be paid in installments in

a manner calculated to encourage regular payment patterns, as determined by the Agencies, in consultation with Unitil as necessary; (2) reasonable payment plans negotiated (and renegotiated where that will provide a reasonable opportunity to complete a payment plan) with Unitil, over an extended period where a customer is willing and able to make a regular payment; (3) designation of a Unitil representative for negotiation of payment plans; and (4) immediate notice to the referring Agency when a customer misses a payment plan payment, and suspension of collection activity with respect to such a customer for a minimum of 30 days. Counseling includes Unitil training of the agencies to provide basic budget counseling to customers, the Agencies providing such basic budget counseling, and Unitil providing advanced budget counseling for those customers identified by an Agency as requiring such advanced budget counseling in order to successfully complete the program.

### III. Eligibility Criteria

To be eligible, a customer must meet the following:

- Be a residential customer of record with Unitil.
- Have income at or below 200% of the federal poverty level.
- Must agree to participate or provide documentation of past participation in a Unitil Energy Efficiency program unless the Agency, in consultation with Unitil determines that efficiency measures would not be cost effective.
- Must apply for and receive fuel assistance.
- Have arrearage of at least \$100 that is over sixty days in arrears.

- The customer's gas or electric service has not been disconnected for nonpayment.
- Has not been dropped from the Arrears Management Program in the past 12 months due to nonpayment.

#### IV. Implementation

The program will be implemented by the fuel assistance program Agencies in Unitil's service territory, to which Unitil will pay a fee, subject to the acceptance of the Agency.

##### Unitil's role includes the following:

- Work with Agencies to identify customers for the program.
- Refer customers to the Agencies for full participation in the program.
- Collaboration with Agencies to determine acceptable payment amounts and payment terms for the participants.
- Apply agreed upon arrears forgiveness credits toward the participant's balance on a monthly basis.
- Provide necessary annual training to Agency credit counselors which may include techniques, program objectives and requirements and energy efficiency program changes.
- Provide customer information and reports as required.
- Collaborate with Agency to develop necessary promotional materials.

The Agency's role includes the following:

- Assist program participants with negotiating acceptable payment amounts and terms, if necessary, with Unitil.
- Refer clients to appropriate Energy Efficiency education programs.
- Assist participants in managing their debt through appropriate budget counseling services.

Unitil also recognizes the value of collaborating with the Department of Transitional Assistance (DTA) to offer their clients the ability to use the DTA to make direct "guaranteed" payments to Unitil. Unitil will establish a "level payment" payment arrangement. The participant would authorize the DTA to make automatic payments to Unitil and the DTA would process all payments automatically to Unitil. This method ensures the customers remain on the program and receive the appropriate arrears forgiveness benefits each month.

V. Program Costs

In accordance with the Massachusetts Department of Telecommunications and Energy's Order in D.T.E. 05-86 dated February 28, 2006, Unitil shall recover its incremental costs directly related to the Arrearage Management Program through its Residential Assistance Adjustment Factor.